G. R. S. IX-5]

Previous references.

Preserve

Pr

File No. 230-17

1918.

(G.7)

19/11/40

Serial Nos. 8-9-10-11

Later references.

GENERAL AND REVENUE SECRETARIAT.

X 21

Serial Nos. 8, 9, 10, 11

Part B for October 1918

SUBJECT.

Supply of Silver Coins

81:8 From The I.G of Police. No 275 Dated 9-7-18.
Forwards Extract from the diary of the D.S.P. K.G.F
re the want of Silver & Nickel Coins

To The F.M & The Hon'ble the Resident in Mysore
No. 352 Dy 2-10-18
Request that the Controller of currency be requested
Comply in full with the monthly requisitions of the
Durbar's Comptroller for small coins.
Copy to Comptroller No FC. 1857 Dy 2/10/18

W D 1250—GPB—30,000 · 28-1-19

G. R. S. III—1] 191

GENERAL AND REVENUE SECRETARIAT.

(87)

NOTES.

File No. 230-17.

FILE HEADING.

Supply of silver coins.

From

The D. G. of Police.

No. 275 Dated 9-1-18 Received 13-1-18.

Diary No. 105	Enclos. 1	Spare Copies. . .	Serial No. 8

BRIEF ABSTRACT OF LETTER.

Forwards an extract from the diary of the D. S. P., K. G. D. bringing to notice that for want of silver & nickel coins, people refuse to accept paper notes.

NOTES AND ORDERS.

Submd. If approved a copy may be sent to the comptroller for ~~taking necessary action~~ information.

~~W. 9/1~~ Notes will of course not be forced on those who do not wish to take them

18/1/18

18
19.7.18

NOTES—First Sheet.

WD 1282—GPB—20,000—18-11-16

G. R. S. III-2)

General and Revenue Secretariat.

GA File No. 230 of 1917.

Serial No.	
	The information is vague. The Comptr may be asked to furnish report on the general coin situation in the state before 15-5-17
	22/7/18
	Regd - Subd. 22/7
	Today please 3/8/18
9.	H. 734 & 3-8-18 - to the Comptr. — requests him to submit a report on the general coin situation by the 15th. A reminder is subd. as the report has not yet been received 19/8
10.	From the Comptroller — No. B & R. 5-65 & 157 8/18 — forwards a general report on the coin situation.

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. 111-2]

General and Revenue Secretariat.

97. File No. 230 of 1917.

Serial No.

The points for consideration in the comptr's letter, are:-

1. Owing to the general shortage of specie, it is impossible to get the adequate supply in coins to meet the general demand. As such free exchange in coins for currency notes etc. are on the decrease & Govt. is unable to meet the demands of the people, the Marwadis and other money-lenders have taken advantage of the situation, & demand exhorbitant discount for cashing notes. For each case placed, a discount of one anna ~~as~~ in the rupee is demanded. Vide letter No. [illegible] Govt. action to prevent this appears to be impossible.

2. The comptr. states that it is at times found difficult even to get the required quantity of rupee notes. As instructions are issued to the treasuries to issue strictly ~~[illegible]~~ ~~Rs~~ official ~~[illegible]~~ and to refuse [illegible] ~~Rs~~ [illegible] when [illegible]

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

(4)

Serial No.

will be a greater demand for Re. notes, which has been estimated by the Comptroller at 6 lakhs for every month. He therefore requests that arrangements may be made with the Govt. of India to supply the required quantity.

Paid (2)

No action seems to be necessary on this point, as the Finl. Secy. has already stated that if the Bank is written to in the matter they would certainly arrange to obtain the required stock of notes.

3) Arrangement is also requested to obtain at least 3 lakhs of whole rupees every month.

Paid (1)

This point too has been answered by the Finl. Secy. in his note dt. 15th inst. — that it is not right to embarrass the Govt. of India at this juncture, and that when there is a necessity for whole rupees we can get it from Madras by writing D.O. to the A.G., Madras.

4) As regards the Comptr.'s remark that Govt should be prepared

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat. | File No. 150 of 191

Serial No.

to issue fresh notes in exchange for soiled ones, attention is invited to the recent Press communique that Post offices and sub treasuries have been instructed to issue fresh notes freely.

5.) The Comptr as well as Mr. Rose are of opinion that bronze and nickel coins should be issued freely as far as possible.

(3) Action is already being taken on this point by issuing instructions to the treasuries to give 2 rupees worth of change at a time for all those who demand.

No further action therefore seems to be necessary on the Comptr's letter.

hd 3-11-8/18 TM

The points for orders are

(1) To arrange bpt. Rs. 3 lakhs weekly from the Madras Bank. Bangalore

(2) To address the G.G. to arrange for the Madras Mk here being supplied with fresh 1 Rs 2/8. c. notes Burma can demands, estimated at 6 lakhs per month.

Yes

NOTE—Contn. sheet.

4973 7/8 arrange to send telegram 16/8/18.

Put up a draft to the Govt of India asking that if more notes cannot be supplied arrangements may be made to supply one-rupee notes & small coin to meet the situation

23/8/18

G. R. S. 12]

General and Revenue Secretariat.

File No. of 191

Serial No.

Draft Subd. (No reply has been received from Mr. Woolam.)

Hd 1918 MM

The Compte has arranged bobbins & yarn [illegible] Inspection Stock of the C. Body is [illegible] also not available even at Calcutta. Steps to keep is however said as the Body

Secy)

716 20/9

18 13/9/18 19.

Fair draft please

M 28/9 18/9/18

Fair draft Subd.

Hore 24/9/18 MM

Secy)

701 26/9

M 26.9.18

1st Member & Secy

1433 27.9. 1909 28.9.18

Secy 27/9/18

18 28/9

Many revn 28.9.18 do

M 30.9.18

Today

NOTE—Contn. sheet.

GPB—85,000—17-6-12.

(7

G. R. S. III-2]

General and Revenue Secretariat.

67 File No. 230 of 1917.

Serial No.	
11	To. The F.A. to the Hon'ble the Resident in Mysore. No 352 Dt 2-10-18 Request the Controller of currency may be kindly requested to comply in full with the monthly requisitions of the Durbar Comptroller for small coins & that the Comptroller has been requested to apply for minimum requirements for amounts of small coins. Absolutely necessary " " Copy to the Comptroller to Govt No H 1859 Dt 2-10-18

NOTE—Contn. sheet.

(19)

I send for the information of Government the file of papers containing the correspondence between the Agent of the Bank of Madras and myself in regard to the supply of whole rupees required for the treasury. In his letter of 15th instant he suggests that the Accountant General, Madras, may be addressed in the matter.

If, as stated in Mr. Cole's letter, the silver position in this part of the Country is unchanged and there is no prospect of its becoming easier in the near future, this situation is an additional factor adversely affecting our resource position. In view of the shortage of rupee currency, I have had to take action for conserving as far as possible, the stock of whole rupees we have in the treasuries, and I have accordingly instructed treasuries not to issue specie in exchange for notes and issue it only sparingly in payment of Government dues. The result is that a large part of the whole rupee balance in the treasuries has temporarily become ineffective for purposes of our resource operations and I have had to obtain from the Madras Bank large quantities of small notes for issue in lieu of specie. I cannot get any definite information from the Bank as to how long this dearth of rupee currency will continue and until we feel sure of getting supplies of rupees, we cannot freely issue what stock of rupees we now hold. It is desirabl to keep the treasuries in a strong position in regard to their specie balance and if we cannot get fresh specie to replace what we issue, the consequence is not only a restriction of issue of specie but also the maintenance of the Treasury balance at a much higher level than would be necessary if a large part of the rupee portion of the balance had not to be kept idle.

The whole rupee balance on 1st July 1918 aggregated Rs.30,37,259/-. In the circumstances explained above, I request Government to be so good as to arrange with the Government of India for our getting the required supplies of whole rupees from the Bank of Madras. If, however, this becomes impossible the portion of the treasury balance ineffective for resource work will add to the amount to be found by the sale of securities - Vide my Ways and Means Note No.96/Books. dated 12th July 1918.

A

M N Venkatarama Rao
Comptroller.

Bangalore,
Dated, 24th July 1918.

To

The Financial Secretary to
the Government of Mysore,
Bangalore.

SAM.

With the Comptroller please state what these required supplies are month by month from August 1918 to June 1919 indicating the calculations by which the amounts are obtained?

25.7.18

P. T. O.

WD 1288—GPB—60,000—1-12-18-18.

(19)

G. R. S. III-2)

General and Revenue Secretariat. | File No. of 191

Serial No.

As explained in my D.O. of the 10th instant if a sufficient supply of small coins is available much of the demand for whole rupees may be expected to be met by the issue of one rupee notes. The Madras Bank is, however, sometimes unable to issue one rupee notes of the amounts we require. It is necessary to arrange with the Government of India for the Bank being supplied with a sufficient stock of these notes to meet our demands. I expect that we shall require about Rs.6 lakhs of one rupee notes every month if the issue of whole rupees is completely stopped. The actual amounts of these notes obtained from the Bank in the past three months was as follows:-

(1)

May	... Rs.1,49,000
June	... Rs.2,67,000
July	... Rs.3,19,000

As we have prohibited the use of the present specie balance and also told the Treasuries to add, if possible, to such balances by not issuing fresh receipts of rupees, there will be increased demand for one rupee notes. Hence the estimate of 6 lakhs noted above.

The above considerations do not, however, affect the point of the above note dated 24th July 1918. As the present rupee balance of 25 lakhs is not proposed to be issued, it is practically

NOTE—Contn. sheet.

WD 1288—GPB—60,000—1-12-16—S.

11

G. R. S. III-2]

General and Revenue Secretariat. | File No. of 191

Serial No.

GEN. & REV. SECRETARIAT. FINANCIAL 15 AUG 1918 7L 418—18

practically not available for treasury resource work.

(2) I think it is desirable to issue whole rupees to some limited extent. The Bank ought to give us at least half of the estimate of about 6 lakhs every month in whole rupees. The Government of India may be addressed to enable the Bank to give us three lakhs at least every month in whole rupees.

CONTROLLER'S OFFICE 17 AUG 1918 BANGALORE. MYSORE STATE

12th August 1918.

M N Venkatachar
Comptroller.

(1) If the Comptr writes to the Bank, it will certainly arrange to give him one-rupee notes to the extent reqd. I do not think it is necessary to write to Govt of India for this. If the Comptr feels any difficulty I shall write to A.G. Madras D.O. & arrange.

(2) Desirable no doubt, but not practicable. We have asked the treasuries not to issue more rupees than they receive. That order should stand.

(3) Knowing as we do the position of the Govt of India themselves as regards silver* we need not embarrass them with a demand for whole rupees. We can continue to

* week ending 31st July
note circulation .. 121 crores
Rupee Balance .. 8 crores.

NOTE—Contn. sheet.

G. R. S. III-2)

General and Revenue Secretariat.

File No. of 191 .

Serial No.

manage as we have been doing with paper notes & small coin. We may write D.O. to A.G. Madras & get hold of a lakh or two of silver now & then. For example Mr Majumdar when Viceroy as A.G. Madras helped us in getting a lakh some time ago. But a formal request to ~~us for~~ for rupees at this juncture is not desirable.

M.
14.8.18

Complete)

6/18

A & Regl. note & file
17.8.18

Gr 7 230-17-8

No. 275/21 E1 Office of the Inspector General of Police in Mysore.

Bangalore, Dated 8th/9 July 1918.

From

Mir Hamza Husein Esquire, B.A.B.L.,

Offg. Inspector General of Police in Mysore.

To

C. S. Balasundaram Iyer Esquire, B.A.,

Chief Secretary to the Government of His

Highness the Maharaja of Mysore, Bangalore.

Sir,

I have the honor to forward herewith for the information of Government an extract from the Diary of the Superintendent of Police, Kolar Gold Fields for the week ending 22nd June 1918, bringing to notice that want of silver and nickel coins is keely felt in the Gold Fields and that the people decline to accept the rupee notes.

I have the honor to be,

Sir,

Your most obedient servant,

Offg. Inspector General of Police.

2

D/08
(11-

WD 2328—GPB—400—2-4-17

From

08310

The Inspector-General of Police
in Mysore, Bangalore.

To

Chief
The Secretary to the Government
of H. H. the Maharaja of
Mysore, ~~General Dept.~~

Dated 8th July 1918

Despatched

No. 2752/1

Enclosure

Subject. 08233

Forwarding an extract from the Diary of the D.S.P. K.G.F. bringing to notice that for want of silver & nickel coins people refuse to accept rupee notes.

Diary of the Superintendent of Police, Kolar Gold Fields 14

for the week ending 22- 6-1918.

---

x x x x

22-6-1918 The want of silver and nickel coins is keenly felt and people decline to accept the rupee notes.

x x x x

EXTRACT

Offg. Inspector General of Police.

(15

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section G, 7
File No. 230-17
Serial No. 9.

GENERAL AND REVENUE SECRETARIAT,
( )
, the 191 .

No. 7734

Date of issue 3 August

To
The Comptroller.

Signed by W Greenway

Sir,

I am directed to request that a report on the general coin situation in the State may kindly be furnished before the 15th August 1918 for information of Govt.

I have etc,
B.
for Financial Secretary.

over.

D 485

Gr+ 230-17-10.

Please address all future communications to the Comptroller to the Govt. of H. H. the Maharaja of Mysore.
In reply to this Comm. please refer to
No. B1-R.565

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Dated, Bangalore, the 14th August 1918.

17 AUG 1918

Recd. 19/8

12499

FROM

M. N. KRISHNA RAO, ESQ., B.A.,
Comptroller to the Government of His Highness the Maharaja of Mysore.

To Rajamantrapravina Diwan Bahadur
J.S. Chakravarti, ESQ., M.A., F.R.A.S.,
Secretary to the Government of Mysore,
Financial *Department.*

Secy) 18/9/18

SIR,

I have the honour to acknowledge the receipt of your letter No. Fl.734/F.F. 230 – 17 dated 3rd July 1918, calling for a report on the general coin situation in the State.

(1) 14(2)
R
20/8

2. As the Manager of the Mysore Bank and the Chairman of the Mysore Chamber of Commerce, I thought that Mr. Rose would know much about the present situation and I accordingly wrote to him for information. I enclose a copy of his reply. There is general shortage of specie - whole rupees and small coins- throughout the State. It will be seen that currency notes are circulating at a discount of ½ to 3 per cent. As I have reported in my note dated 24-7-18 there does not appear to be any near prospect of our getting supplies of specie from the Madras Bank to the extent we may require to enable us to resume exchange of coin for currency notes at par or on the levy of a small commission of 4 annas per cent as hitherto. We are not therefore in a position to relieve the situation and prevent the circulation of currency notes at a discount. It will ease the situation to some extent if we are enabled to meet a part at least of the dues by Government in specie if, as I have proposed in my note dated

Vide also Mail - D/ 19-8-18.

17

dated 12-8-'18, we can get at least three lakhs in whole rupees from the Madras Bank. If we can get this supply of specie monthly, we can arrange for removing the absolute prohibition in regard to the issue of specie which we have had to order recently.

3. We have taken whatever action was possible to minimise the inconvenience caused by the shortage of specie. We have authorised the free exchange of higher denomination notes by notes of small value. We have so far supplied all the Treasuries to the full extent of their demands for one rupee notes. In his letter, Mr. Rose brings to notice that the Taluq Treasury at Chennapatna has refused to accept currency notes of Re.1 and Rs.2-8-0 if cut and gummed I have issued instructions in the matter. As we are forcing one rupee notes on the public, we should be prepared to accept all soiled notes and issue fresh notes in their stead. The local Branch of the Madras Bank here has so far been able to supply us with small notes but sometimes its supply itself ~~was~~ is cut off and it has to make special arrangements to get supplies to meet our demands. As I have stated in my note dated 12-8-'18, it is desirable to address the Government of India to arrange for the Madras Branch Bank here being supplied with fresh notes to meet all our demands.

4. I agree with Mr. Rose in thinking that it will go far to popularise one rupee notes and minimise the inconvenience of the shortage of whole rupees if we can arrange for the issue of small coin in exchange for one rupee notes as far as possible. I invite attention in this connection to my note dated 10-8-'18. I have explained in that note the Treasury position in regard to small coins. I am sending another indent to the Accountant General, Madras, for the supply immediately of nickel and bronze coins of the value of 3 lakhs and I am also telling him that larger supplies of small coins will be necessary in view of the increased and increasing demands for them.

I have the honour to be,

Sir,

Your most obedient servant,

M. N. Narasimha Rao

Comptroller.

18

Letter dated 13th August 1918 from the Manager, Bank of Mysore, Bangalore, to the Comptroller, Mysore Government.

In reply to your D.O. of the 5th No.380, there is no question that a dearth of specie is general all over the State. The last reports I have received from our Agents confirm this view, and who, also, state that owing to the fear of the Notes of Rs.1/- and Rs.2-8-0 being rejected, if mutilated or torn, ryots are loth to accept same. Chennapatna Agent writes that the local Treasury refuses to accept the notes if cut and gummed. A circular to all Treasury Officers and Station Masters of the Mysore State Railway to receive such notes freely provided their number is visible, would greatly remove the fear of the ignorant folk.

The discount on these small notes varies from ½% to 3%, the greatest depreciation being in Davangere where rupees are in great demand by the cultivators. I think you would be perfectly justified in asking the Government of India to atleast furnish you with a free supply of Nickel (2 and 1 anna pieces) and bronze coins. The free issue of these subsidiary coins would materially encourage the willing acceptance by the public of the small notes.

" C O P Y"

Superintendent,
Records Section,
Comptroller's Office.

HP 19 Jan

(69)

G.7 230. 17 - 11.

To

The First Assistant

to the Hon'ble the Resident in
M y s o r e

Urgent

NO 352
2.10.18

S i r,

I am directed to state that the Durbar's Comptroller has reported that the -- stock of whole rupees in the State Treasuries has fallen very low, and that to meet the present situation, arrangements should be made to get at least six lakhs of whole rupees every month. The Controller o f Currency has recently arranged for a supply being made to the Durbar of only 5 lakhs - of whole rupees. Considering the shortage of specie generally throughout India and with the view of reducing the Durbar's requirements for whole rupees to the minimum limit, the Comptroller has been instructed to issue small notes freely and conserve specie as far as possible. But as it is not possible or desirable to stop t h e issue of whole rupees altogether, the Durbar would request that the Government of India be addressed to kindly make arrangements ~~to enable~~ so that the Madras Bank at Bangalore ~~is~~ may supply to the Comptroller at Bangalore every month 3 lakhs in whole rupees a n d 3 lakhs in 1 Re. currency notes. In case it is not possible to meet the demand for ~~xhx~~ whole rupees to this extent, as much of whole rupees as can be spared may be sent and the balance to make up the monthly sum ~~pf six~~ of six lakhs may be in 1 Re. notes.

(20)

2. It will also be perceived that, to facilitate the free circulation of currency notes of small value and to prevent hardship to the labouring and agricultural classes, an adequate supply of small silver, --- nickel and bronze coins, is indispensable. Lately the Durbar have received many representations from employers of labour like Coffee planters and from other parties to the effect that there is dearth of such coins in all the districts of the State. In some localities where labourers are employed in large numbers the situation ~~was~~ is reported to ~~have been~~ be acute. In these circumstances I am to request that the Controller of Currency may be kindly requested to comply in full with the monthly requisitions of the Durbar's Comptroller for small coin. The Comptroller has been requested to make requisitions for amounts absolutely necessary to work the treasuries with due regard to the minimum requirements of the population.

I have the honour to be,

Sir,

Your most obedient servant,

26.9.18

Financial Secretary to Government.

No. H 1859 2/10/18

Copy to Comptroller.

27/9/18